

Planning Guidance Letter 97-10

Shortening the Planning Process

CECW-PE (26 March 1997)

MEMORANDUM FOR MAJOR SUBORDINATE COMMANDS

SUBJECT: Planning Guidance Letter 97-10, Shortening the Planning Process

1. Purpose. The purpose of this guidance letter is to implement new procedures and requirements for shortening planning studies. This guidance will be incorporated into the next revision of ER 1105-2-100, Guidance for Conducting Civil Works Planning Studies.

2. Background. In the Fiscal Year 1997 budget testimony, the Assistant Secretary of the Army for Civil Works (ASA(CW)) stated that the U.S. Army Corps of Engineers will review current processes and will find ways to produce quality feasibility studies more quickly and at less cost. To this end, guidance has already been implemented on expediting the reconnaissance phase of planning studies, Planning Guidance Letter 96-3. In addition, a task force composed of experienced field staff was convened to examine our planning/design process and to identify alternatives to implement projects in a more expeditious manner. The taskforce completed its work in October 1996. The task force identified several process, policy, and legislative changes that, if implemented, could significantly reduce study time. The taskforce recommendations were reviewed and three major changes to existing procedure and policy were approved. These changes can shorten the time and reduce the cost of feasibility studies and be implemented quickly and without new legislation. These changes fall into three categories:

- (a) Procedural changes that provide for each feasibility study effort to be focused and tailored to meet specific needs and objectives;
- (b) Policy changes that, in certain cases, provide for categorical exemptions from requirements to develop and recommend the NED plan; and
- (c) An additional change encouraging flexible Federal/non-Federal funding of cost shared feasibility studies.

3. Procedural Change. Each feasibility study effort will be focused and tailored to meet the site-specific objectives and constraints. Although, most of the expedited reconnaissance study phase effort is devoted to preparation of the Project Study Plan (PSP), it is recognized that the PSP will be based on limited information and will reflect the complete range of studies required by regulations. Therefore, to ensure that the feasibility studies are focused and tailored to meet

specific objectives, an in-progress-review meeting will be convened early in the feasibility study, after National Environmental Policy Act scoping has been accomplished. Convening an in-progress-review meeting early in the feasibility study will bring the Corps headquarters, division and district staffs, the non-Federal sponsor, and resource agencies together to revise the PSP to focus the feasibility study on key alternatives, to further define the depth of analysis required and to refine study/project constraints. Accordingly, the PSP developed during the reconnaissance phase will be revised to document the changes agreed to at the in-progress-review meeting. The agreed-to changes will be documented in a memorandum to be approved by CECW-P. The revised PSP will then form the basis for subsequent conduct and review of the feasibility report and development of the report of the Chief of Engineers.

4. Policy Change. This is a key policy change dealing with identification and recommendation of the National Economic Development (NED) plan. Currently, the NED plan must be recommended unless an exemption is granted by the ASA(CW). In an effort to use our limited resources as efficiently as possible, this policy change provides, in certain cases, for categorical exemptions from the requirements to develop and recommend the NED plan. For flood damage reduction studies, where the non-Federal sponsor has identified a desired maximum level of protection, where the with-project residual risk is not unreasonably high, and where the plan desired by the sponsor has greater net benefits than smaller scale plans, the requirement to analyze and present in the feasibility report project plans providing higher levels of protection than the plan desired by the sponsor is suspended. As an example, if a sponsor desires a levee of sufficient height to meet Federal Emergency Management Agency flood insurance requirements and it is determined that the levee to accomplish this has higher net benefits than smaller levees, then the levee desired by the sponsor could be recommended without having to analyze larger levees to identify the NED plan. For harbor and channel deepening studies, where the non-Federal sponsor has identified constraints on channel depths, the requirement to detail deepening projects greater than the plan desired by the sponsor is also suspended. As an example, if a sponsor only desires to deepen a channel to -40 feet and it is determined that the -40 foot channel is economically justified and has greater net benefits than a -39 foot or -38 foot channel, etc., then the -40 foot plan could be recommended without having to analyze deeper channel plans in an attempt to identify the NED plan. However, in all cases, the recommended plan must have greater net benefits than smaller scale plans, and the formulation must analyze enough alternatives to insure that net benefits do not maximize prior to the sponsor's preferred plan.

In accord with the Principles and Guidelines formulation process, alternative plans are normally composed of incrementally justified elements. If the plan proposed to be recommended contains uneconomical increments an exception from the ASA(CW) must continue to be obtained. In cases where the non-Federal partner can and does identify constraints to the maximum physical project size or

costs because of limited financial resources, analysis of project sizing will continue in the traditional way, (i.e., adding increments so long as the increment has positive net benefits) until the physical size or budget constraint has been reached. If the NED plan is identified at a physical size or costs less than the defined constraint, then the NED plan requirement is satisfied and the NED plan should be recommended unless an exception is requested. However, should net benefits be increasing when the physical size or budget constraint is reached, there is no longer a requirement to detail larger scale plans in an effort to identify the NED plan, and the constrained plan should be recommended. In any case, an essential element of any flood damage reduction recommendation will be the identification of residual risk for the sponsor and flood plain occupants, including residual damages and potential for loss of life, due to exceedence of design capacity.

Agreements effecting the limit and scope of the NED plan analysis will be fully documented in the revised PSP. In all cases it must be assured that the analysis of alternatives is comprehensive enough to meet the requirements of the National Environmental Policy Act.

5. Additional Changes. In order to minimize potential delays in initiating a cost shared feasibility study associated with the timing and availability of Federal/non-Federal funds, the district and the sponsor may consider flexible Federal/non-Federal funding arrangements when negotiating the Feasibility Cost Sharing Agreement (FCSA). For example, with a signed letter of intent, a cost shared feasibility study could be initiated with a greater than 50 percent proportion of Federal, or of non-Federal funds, in lieu of attempting to obtain an equal Federal/non-Federal match. In this case, subsequent funds would then be contributed in accordance with a specific schedule of payments so that the ultimate contributions equaled the required 50 percent of the study cost during the period of study. The existing model FCSA accommodates flexible Federal/non-Federal funding arrangements. CECW-P approval is required to deviate from a funding schedule requiring proportional contributions.

6. Implementation. This guidance letter is effective immediately.

FOR THE COMMANDER:

(Signed) RUSSELL L. FUHRMAN, Major General, USA, Director of Civil Works